

Nutrient Trading Program Notes

July 20, 2015 Meeting

9:00 AM – 12:15 PM

Agenda

- 1. Introductions**
- 2. Roles**
- 3. Ground Rules**
- 4. Information Sources**
- 5. Goals and Tenets**
- 6. Proposed schedule of discussion**
- 7. Meeting schedule**
- 8. Nutrient Trading Workshop – Interest and Potential Logistics**

Ground Rules for Discussion and Approval

1. We will operate according to informed consent. This requires understanding. These require patience and cooperation.
2. We must agree on common goals, language and tenets to make clear recommendations.
3. Where no common agreement occurs, we must reflect the diversity of opinion in our report to the commission.
4. All discussions will be civil and constructive.
5. We need a breadth of expertise and opinions to create the best framework possible.
6. We will allow those with the best information to inform us while respecting differences in opinion.
7. We will be transparent and welcoming.
8. We will work through the factors that will form the framework in an orderly fashion recognizing that we may have to revisit some or all of them at the end to ensure the final recommendations are both robust and supported on the basis of informed consent.
9. The facilitator accepts responsibility for ensuring that these rules are followed.

Comment: The group agreed to these as a good start. There is a potential to add more later.

A number of group members requested that the start time be shifted back to 10 AM. It was also suggested that we try to end by 3 PM.

If anyone would like to call in to a meeting rather than attend in person, it is their responsibility to inform the department well enough in advance to allow for that capability to be set up.

Basic Tenets and Goals for this Group

1. A Nutrient Water Quality Trading Program (trading program) can be an important tool to help meet water quality goals, if implemented properly.
2. Our group's basic goal is to provide a framework for a trading program to help meet water quality standards and the goals established by those who live in each watershed and to protect designated uses.

3. Any successful trading program must be both practical and protective of water quality.
4. A successful trading program will balance risks to those buying and selling credits as well as risks to water quality.
5. A successful trading program must be based on the best science available and be built to adjust to advances in understanding.
6. Any Missouri trading program must be developed and operated within a system that assures accountability and monitoring.
7. This framework for a trading program will be accepted, once approved by the Clean Water Commission, as the basis for any rules, regulations, legislation or permit conditions to be applied in Missouri.
8. Once the framework is established, the department should support one or a small number of pilot trading arrangements to test the framework, mechanisms, etc.
9. During piloting, the full package to support WQ trading will be created and brought before the necessary parties for approval.

Comment: The group agreed that these form a good basis for working forward.

Proposed Order and Extremely Preliminary Schedule for Considering Factors

1. Point to point source and point to non-point source trading	August
2. Service (or trading) areas	August
3. Time terms of trades	August
4. Baselines (how to set, not setting)	August
5. Eligibility of practices (how to set, not setting)	August
6. Regulatory instruments	September
7. Specie(s) for trading	September
8. Setting Baselines	October
9. Practices	October
10. Trading margins	November
11. Liability	November
12. Extreme events and responsibilities	December
13. Monitoring and enforcement	December
14. Market structures and transaction mechanisms	December
15. Trading Ratios	January
16. Role and responsibilities review	January
17. Incentive approach (Rewarding early implementation)	January
18. Role of Ecosystem Services in crediting	January
19. Summary and rejiggering, as needed	February
20. Adaptive Management	March

Comment: This order was amended and agreed upon. The amended list is shown above.

Actions

Joe Engeln and John Madras to set dates for a series of upcoming meetings to provide greater advance notice.

Coffee was requested for future meetings. Joe volunteered chocolate for future meetings. Sign-up sheets were available for those to volunteering to work on the topics of baselines and eligibility of practices. One group will do the point sources and the other the non-point sources with the goal of completing a first cut and presenting it to the entire group at the October meeting.

Next meeting dates

August 24 th	10 AM - 3 PM East Elm
September 25 th	10 AM - 3 PM Lewis and Clark Building
October 23 rd	10 AM – 3 PM Lewis and Clark Building
November 20 th	10 AM – 3 PM Lewis and Clark Building
December 18 th	10 AM – 3 PM Lewis and Clark Building
January 22 nd	10 AM – 3 PM Lewis and Clark Building

(Lunch on your own each day)

What to Prepare for Next Meeting - August 24 at 10 AM

Be ready to discuss in detail:

- The potential types of trading possible
- Trading area(s)
- Time terms of trades

Be ready to outline:

- Baseline Considerations
- Eligibility of Practices

Be ready to pick someone(s) to lead and to ID top issues for:

- Baseline Considerations (Point Sources)
- Baseline Considerations (Non-Point Source)
- Eligibility of Practices (Point Sources)
- Eligibility of Practices (Non-Point Source)